



Municipalities building a
stable insurance future.

125 E. Court Street
Ithaca, NY 14850
604-274-5590
INFO: consortium@twcny.ny.gov
www.tompkinscountyny.gov/hconsortium

April 28, 2015

Mr. Daniel J. Sheridan
Principal Insurance Examiner
New York State Department of Financial Services
Health Bureau
One State Street, 11th Floor
New York, New York 10004

RE: Annual Statement - 2014

Dear Mr. Sheridan:

The Greater Tompkins County Municipal Health Insurance Consortium is pleased to submit two (2) original copies of the Consortium's Annual Statement for the period ending December, 31 2014.

Attached to the Statement is the following:

- Actuarial Review of Outstanding Claims Liabilities as of December 31, 2014

A copy of the information, along with the Excel spreadsheet will be forwarded electronically. If there are any questions concerning the filing of this information please contact me.

Sincerely,

Don Barber, Executive Director
Greater Tompkins County Municipal Health Insurance Consortium

**STATE OF NEW YORK
DEPARTMENT OF FINANCIAL SERVICES**

**DATA REQUIREMENTS FOR
MUNICIPAL COOPERATIVE HEALTH BENEFIT PLANS**

Greater Tompkins County Municipal Health Insurance Consortium

Name of MCHBP

FOR THE FISCAL YEAR ENDING

December 31, 2014

To be filed 120 days from fiscal year end

Two copies of this Form bearing original signatures and notarization should be filed with
the Department of Financial Services at the following address:

New York State Department of Financial Services
Health Bureau
One State Street, 11th Floor
New York, New York 10004

ANNUAL STATEMENT

OF THE CONDITION AND AFFAIRS OF

A Municipal Cooperative Health Benefit Plan organized under the laws of the State of New York made to the New York State Department of Financial Services pursuant to the laws thereof.

OFFICERS*		
President:	Judith Drake	Other Officers: Rordan Hart, Vice Chair
Secretary:	Deborah Prato	Rick Snyder, Treasurer
Chief Financial Officer:	Steven Thayer	

[illegible]

STATE OF New York

COUNTY OF Tompkins

Subscribed And Sworn To Before Me This 28th Day of April 2015

Catherine Crest
NOTARY PUBLIC
(Seal)

(Seal)
CATHERINE COVERT
Notary Public, State of New York
No. 4983156
Qualified in Tompkins County
Commission expires June 24, 2015

Judith Drake	<i>Judith Drake</i>	President
Deborah Prato	<i>Deborah Prato</i>	Secretary
Steven Thayer	<i>Steven Thayer</i>	Chief Financial Officer

(Corporate Seal)

Yes ☒ No ☐

(b) If no:

- (i) state the amendment number
- (ii) date filed
- (iii) number of pages attached

*Show full name (initials not acceptable) and indicate by number sign (#) those officers and directors who did not occupy the indicated position in the previous statement.

Revised 2014

REPORT #1 — PART A: ASSETS

	Current Year	Previous Year *
	1	2
	Total	Total
1. Bonds (Schedule B line 0199999)	-	-
2. Stocks:		
2.1 Preferred stocks (Schedule B line 0299999)	-	-
2.2 Common stocks (Schedule B line 0399999)	-	-
3. Real estate (Schedule J line 0199999)	-	-
4.1 Cash (Schedule A Line 0399999)	7,958,073	3,563,863
4.2 Cash equivalents (Schedule A Line 0499999)	-	-
4.3 Total Cash and Cash equivalents (Schedule A Line 0599999)	7,958,073	3,563,863
5. Premiums receivable (Schedule C, NY 10)	36,379	277,412
6. Other invested assets	-	-
7. Receivable for securities	-	-
8. Aggregate write-in for invested assets	-	-
9. Subtotal cash and invested assets (Lines 1 to 8)	7,994,452	3,841,275
10. Investment income due and accrued	-	-
11. Reinsurance:		
11.1 Amounts recoverable from reinsurers	125,000	217,354
11.2 Funds held by or deposited with reinsured companies	-	-
11.3 Other amounts receivable under reinsurance contracts	-	-
12.1 Current federal income tax recoverable and interest thereon	-	-
12.2 Net deferred tax asset	-	-
13. Electronic data processing equipment and software	-	-
14. Furniture and equipment, including health care delivery assets	-	-
15. Health care and other amounts receivable	415,237	212,000
16. Aggregate write-in for other than invested assets	6,908,315	6,864,425
17. Total Assets(Lines 9 to 16)	15,443,004	11,135,054
DETAILS OF WRITE-INS AGGREGATED AT ITEM 8 FOR INVESTED ASSETS		
0801. _____	-	-
0802. _____	-	-
0802. _____	-	-
0804. _____	-	-
0805. _____	-	-
0898. Summary of remaining write-ins for Item 8 from overflow page	-	-
0899. TOTALS (Items 0801 thru 0805 plus 0898) (Page 2, item 8)	-	-
DETAILS OF WRITE-INS AGGREGATED AT ITEM 16 FOR OTHER THAN INVESTED ASSETS		
1601. Restricted cash	5,953,618	5,947,189
1602. Ancillary benefits receivable	-	9,136
1603. Excellus BCBS prepaid claims (Advance deposit)	953,700	908,100
1604. Prepaid expenses	997	-
1605. _____	-	-
1698. Summary of remaining write-ins for Item 16 from overflow page	-	-
1699. TOTALS (Items 1601 thru 1605 plus 1698) (Page 2, item 16)	6,908,315	6,864,425

* As reported on Prior Year End filed Annual Statement.

REPORT #1 — PART B: LIABILITIES AND NET WORTH

	Current Year	Previous Year *
	1	2
	Total	Total
1.1 Unpaid claims (Schedule F, NY11)	2,761,159	2,749,847
1.2 Additional amount required by Section 4706(a)(1)	1,039,180	824,546
1.3 Total Claims payable	3,800,339	3,574,393
2. Premiums received in advance	345,672	196,396
3. General expenses due or accrued	-	-
4.1 Current federal income tax payable and interest thereon	-	-
4.2 Net deferred tax liability	-	-
5. Ceded reinsurance premiums payable	-	-
6. Amounts withheld or retained for the account of others	-	-
7. Borrowed money and interest thereon	-	-
8. Payable for securities	-	-
9. Funds held under reinsurance treaties	-	-
10. Aggregate write-ins for other liabilities	9,508	-
11. Accounts payable (Schedule G, NY12)	386,786	315,382
12. Claim stabilization reserve	-	-
13. Unearned premiums	-	-
14. Loans and notes payable	-	-
15. Aggregate write-ins for current liabilities	-	-
16. Total liabilities (Lines 1 to 16)	4,542,305	4,086,171
17. Aggregate write-ins for special surplus funds	606,898	600,000
18. Gross paid-in and contributed surplus	-	-
19. Unassigned funds (surplus)	8,490,636	4,723,499
20. Surplus notes	-	-
21. Surplus per Section 4706(a)(5) **	1,803,165	1,725,384
22. Total capital and surplus (Lines 17 to 21)	10,900,699	7,048,883
23. Total liabilities, capital, and surplus (Lines 16 + 22)	15,443,004	11,135,054
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR OTHER LIABILITIES		
1001. <u>Prepaid ancillary benefit premiums</u>	9,508	-
1002. _____	-	-
1003. _____	-	-
1004. _____	-	-
1005. _____	-	-
1098. Summary of remaining write-ins for Item 10 from overflow page	-	-
1099. TOTALS (Items 1001 thru 1005 plus 1098) (Page 3, item 10)	9,508	-
DETAILS OF WRITE-INS AGGREGATED AT ITEM 15 FOR CURRENT LIABILITIES		
1501. _____	-	-
1502. _____	-	-
1503. _____	-	-
1504. _____	-	-
1505. _____	-	-
1598. Summary of remaining write-ins for Item 15 from overflow page	-	-
1599. TOTALS (Items 1501 thru 1505 plus 1598) (Page 3, item 15)	-	-
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR SPECIAL SURPLUS FUNDS		
1701. <u>Assigned for Catastrophic Claims</u>	606,898	600,000
1702. _____	-	-
1703. _____	-	-
1704. _____	-	-
1705. _____	-	-
1798. Summary of remaining write-ins for Item 17 from overflow page	-	-
1799. TOTALS (Items 1701 thru 1705 plus 1798) (Page 3, item 17)	606,898	600,000

* As reported on Prior Year End filed Annual Statement.

** Calculation of current year reserves shown on NY16 (Schedule K).

STATEMENT AS OF		December 31, 2014 (Year Ending)		OF THE Greater Tompkins County Municipal Health Insurance Consortium (Name)	
REPORT #2 STATEMENT OF REVENUE, EXPENSES AND NET WORTH					
		Current Year 1 Total	Previous Year * 2 Total	Current Year 3 PMPM XXX	Previous Year * 4 PMPM XXX
1. Member Months		60,188	61,063		
2. Net premium income:					
2.1 Basic		27,616,979	34,507,671	458.85	565.12
2.2 Drugs		8,446,312	-	140.33	-
2.3 Total		36,063,291	34,507,671	599.18	565.12
3. Change in unearned premium reserves and reserve for rate credits:					
3.1 Basic		-	-	-	-
3.2 Drugs		-	-	-	-
3.2 Total		-	-	-	-
4. Aggregate write-ins for other health care related revenues		-	-	-	-
5. Investment		12,641	9,871	0.21	0.16
6. Non-health revenues		134,659	146,563	XXX	XXX
7. Total revenues (Items 2 to 6)		36,210,591	34,664,105	601.62	567.68
Hospital and Medical:					
8. Hospital/medical benefits		22,704,500	21,438,806	377.23	351.09
9. Other professional services		-	-	-	-
10. Outside referrals		-	-	-	-
11. Emergency room and out-of-area		-	-	-	-
12. Prescription drugs		7,050,989	6,574,951	117.15	107.67
13. Aggregate write-ins for other hospital and medical		-	-	-	-
14. Incentive pool, withhold adjustments and bonus amounts		-	-	-	-
15. Aggregate write-ins for other expenses		576,799	237,105	9.58	3.88
16. Subtotal (Lines 8 to 15)		30,332,288	28,250,862	503.96	462.65
Less:					
17. Net reinsurance recoveries		200,613	281,688	3.33	4.61
18. Total hospital and medical (Lines 16-17)		30,131,675	27,969,174	500.63	458.04
19. Claims adjustment expenses, including cost containment expenses		-	-	-	-
20. General administrative expenses		-	-	-	-
20.1 Compensation		50,939	35,960	0.85	0.59
20.2 Interest expense		-	119,425	-	1.96
20.3 Occupancy, depreciation, and amortization		-	-	-	-
20.4 Marketing		-	-	-	-
20.5 Professional Fees		68,012	99,112	1.13	1.62
20.6 Administration Fees		955,264	939,946	15.87	15.39
20.7 Consulting Fees		63,502	64,722	1.06	1.06
20.8 Aggregate write-ins for other administrative expenses		745,741	614,612	12.39	10.07
20.9 Total administrative expenses		1,883,458	1,873,777	31.29	30.69
21. Increase in reserves for A&H contracts		-	-	-	-
22. Total underwriting deductions (Lines 18 to 21)		32,015,133	29,842,951	531.92	488.72
23. Net underwriting gain or (loss) (Lines 7 - 22)		4,195,458	4,821,154	69.71	78.95
24. Net investment income earned		-	-	-	-
25. Net realized capital gains or (losses) less capital gains taxes		-	-	-	-
26. Net investment gains or (losses) (Lines 24 + 25)		-	-	-	-
27. Aggregate write-ins for other income or expenses		(129,008)	(151,780)	(2.14)	(2.49)
28. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 23 + 26 + 27)		4,066,450	4,669,374	67.56	76.47
29. Federal income taxes incurred		-	-	-	-
30. Net income (loss) (Lines 28 - 29)		4,066,450	4,669,374	67.56	76.47
DETAILS OF WRITE-INS AGGREGATED AT ITEM 4 FOR OTHER HEALTH CARE RELATED REVENUES					
0401. _____		-	-	-	-
0402. _____		-	-	-	-
0403. _____		-	-	-	-
0404. _____		-	-	-	-
0405. _____		-	-	-	-
0498. Summary of remaining write-ins for Item 4 from overflow page		-	-	-	-
0499. TOTALS (Items 0401 thru 0405 plus 0498) (Page 4, Item 4)		-	-	-	-
DETAILS OF WRITE-INS AGGREGATED AT ITEM 13 FOR OTHER HOSPITAL AND MEDICAL					
1301. _____		-	-	-	-
1302. _____		-	-	-	-
1303. _____		-	-	-	-
1304. _____		-	-	-	-
1305. _____		-	-	-	-
1398. Summary of remaining write-ins for Item 13 from overflow page		-	-	-	-
1399. TOTALS (Items 1301 thru 1305 plus 1398) (Page 4, item 13)		-	-	-	-
DETAILS OF WRITE-INS AGGREGATED AT ITEM 15 FOR OTHER EXPENSES					
1501. NYS Graduate Medical Education Tax		241,282	237,105	4.01	3.88
1502. ACA Transitional Reinsurance Fee		316,764	-	5.26	-
1503. Flu clinics		8,575	-	0.14	-
1504. Patient Care Outcomes Research Institute Fee		10,178	-	0.17	-
1505. _____		-	-	-	-
1598. Summary of remaining write-ins for Item 15 from overflow page		-	-	-	-
1599. TOTALS (Items 1501 thru 1505 plus 1598) (Page 4, item 15)		576,799	237,105	10	4
DETAILS OF WRITE-INS AGGREGATED AT ITEM 20.8 FOR OTHER ADMINISTRATIVE EXPENSES					
20.801. Insurance (Directors & Officers, Professional Liability)		24,957	22,211	0.41	0.36
20.802. Stop-loss premiums		720,784	592,401	11.98	9.70
20.803. _____		-	-	-	-
20.804. _____		-	-	-	-
20.805. _____		-	-	-	-
20.898. Summary of remaining write-ins for Item 20.8 from overflow page		-	-	-	-
20.899. TOTALS (Items 20.801 thru 20.805 plus 20.898) (Page 4, item 20.8)		745,741	614,612	12	10
DETAILS OF WRITE-INS AGGREGATED AT ITEM 27 FOR OTHER INCOME OR EXPENSES					
2701. Miscellaneous expenses		(1,144)	(5,217)	(0.02)	(0.09)
2702. Insured ancillary benefits expense		(127,864)	(146,563)	(2.12)	(2.40)
2703. _____		-	-	-	-
2704. _____		-	-	-	-
2705. _____		-	-	-	-
2798. Summary of remaining write-ins for Item 27 from overflow page		-	-	-	-
2799. TOTALS (Items 2701 thru 2705 plus 2798) (Page 4, item 27)		(129,008)	(151,780)	(2)	(2)

* As reported on Prior Year End filed Annual Statement.

REPORT #2 STATEMENT OF REVENUE, EXPENSES AND NET WORTH (Continued)

CAPITAL & SURPLUS ACCOUNT	Current Year	Previous Year *
	1	2
	Total	Total
31. Capital and surplus prior reporting year	7,048,883	4,626,192
GAINS AND LOSSES TO CAPITAL & SURPLUS:		
32. Net income or (loss) from Line 30	4,066,450	4,669,374
33. Change in valuation basis of aggregate policy and claim reserve	-	-
34. Change in net unrealized capital gains and losses less capital gains tax	-	-
35. Change in net deferred income tax	-	-
36. Change in nonadmitted assets	-	-
37. Change in unauthorized reinsurance	-	-
38. Change in surplus notes	-	-
39. Cumulative effect of changes in accounting principles	-	-
40. Capital Changes		
40.1 Paid in	-	-
40.2 Transferred to surplus	-	-
41. Surplus adjustments:		
41.1 Paid in	-	-
41.2 Transferred from capital	-	-
42. Dividends to participating municipal corporations (or school districts)	-	-
43. Change in surplus per Section 4706(a)(5)	77,781	(296,607)
44. Change in retained earnings/fund balance	(77,781)	(1,125,530)
45. Interest on surplus notes	-	-
46. Aggregate write-ins for changes in other net worth items	(214,634)	(824,546)
47. Aggregate write-ins for gains or (losses) in surplus	-	-
48. Net change in capital and surplus (Lines 32 to 50)	3,851,816	2,422,691
49. Capital and surplus end of reporting year (Line31 + 51)**	10,900,699	7,048,883
DETAILS OF WRITE-INS AGGREGATED AT ITEM 46 FOR CHANGES IN OTHER NET WORTH ITEMS		
4601. Additional needed for 12% IBNR	\$ (214,634)	\$ (824,546)
4602.	-	-
4603.	-	-
4604.	-	-
4605.	-	-
4698. Summary of remaining write-ins for Item 46 from overflow page	-	-
4699. TOTALS (Items 4601 thru 4605 plus 4698) (Page 5, item 46)	(214,634)	(824,546)
DETAILS OF WRITE-INS AGGREGATED AT ITEM 47 FOR GAINS OR (LOSSES) IN SURPLUS		
4701.	\$ -	\$ -
4702.	-	-
4703.	-	-
4704.	-	-
4705.	-	-
4798. Summary of remaining write-ins for Item 48 from overflow page	-	-
4799. TOTALS (Items 4701 thru 4705 plus 4798) (Page 5, item 47)	-	-

* As reported on Prior Year End filed Annual Statement.

GENERAL INTERROGATORIES

1. a) Has any change been made since the last reporting date in the municipal cooperation agreement; administration agreement; plan document or the number of participating municipal corporations?

Yes []No [X]

b) If "Yes", when was the filing request to change the agreements or documents filed with the Department of Financial Services?

Date: n/a

i) If "approved", when was the filing request approved?

Date: n/a

Date: n/a

Date: n/a

Date: n/a

ii) If not "approved" yet, what is the status of the filing request and the status date?

Date: n/a

Date: n/a

Date: n/a

Date: n/a

c) If "Yes", attach current copies of the documents if they have not been previously submitted.

2. a) State as of what date the latest financial examination of the MCHBP was made or is being made.

Date: 12/31/14

b) State the as of date that the latest financial examination report became available from either the state or the company. This date should be the date of the examined balance sheet and not the date the report was completed or released.

Date: 12/31/14

3. Has the MCHBP an established procedure for annual disclosure to its Board of Governors of any material interest or affiliation on the part of any of its officers, directors or responsible employees which is in, or is likely to conflict with the official duties of such person?

Yes [X]No []

4. a) Did any person, while an officer, director or trustee of the reporting entity, receive directly or indirectly, during the period covered by this statement, any commission on the business transactions of the reporting entity?

Yes []No [X]

b) If "Yes", give particulars:

N/A

N/A

5. a) Was money loaned, directly or indirectly, during the period covered by this report to any employee, officer, or director of the MCHBP? If "Yes", please complete the schedule below.

Yes []No [X]

1 Name of Borrower	2 Position with MCHBP	3 Description of Loan	3 Original Loan Amount	4 Amount of Loan Principal Outstanding at Year End
N/A				
0599999. Totals				

6. a) Is the fiscal officer of the MCHBP covered by a fidelity bond?

Yes [X]No []

b) If "Yes", give name of surety company, and amount of coverage:

The Consortium Treasurer and the Consortium Assistant to the Treasurer are both covered by the County of Tompkins' Employee Dishonesty Bond (a.k.a. Fidelity Bond). This coverage is provided through Fidelity and Deposit Company of Maryland, Colonial American Casualty and Surety Company, 1400 American Lane, Shamburg, IL, 60196. This company is a subsidiary of Zurich American Insurance Company. The coverage provided covers embezzlement and/or the misappropriation of funds and each person is covered up to \$2,000,000 maximum.

7. a) Were all the stocks, bonds, and other securities owned as of the reporting period in the actual possession of the MCHBP on the said date?

Yes [X]No []

b) If "No", give location:

No stocks, bonds, or other securities owned by the Consortium at this time.

8. a) Excluding real estate and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a direct custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [X]No []

b) For agreements that conform to the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
No stocks owned at this time	N/A

c) For all agreements that do not conform to the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
N/A	N/A	N/A

9. a) Is the purchase or sale of all investments of the MCHBP passed upon by either the Board of Governors or a subordinate committee thereof?

Yes [X]No []

b) If "No", state who has the authority:

10. a) Has any present or former officer, director or any other person or firm any claim of any nature whatsoever against the MCHBP which is not included in the financial statements?

Yes []No [X]

b) If "Yes", give details:

11. a) Has the MCHBP been subject to any administrative orders, cease and desist orders, fines or suspensions by any government entity during the reporting year?

Yes []No [X]

b) If "Yes", give details (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement)

12. a) What is the percentage that the MCHBP uses for its claims payable reserve?

12%

b) Is the percentage used for claims payable reserve equal to the minimum requirement of 25% as per Insurance Law § 4706(a)(1)?

Yes []No [X]

c) If b) is "No", did the MCHBP file a request to use a lower percentage from the Department of Financial Services as per Insurance Law § 4706(a)(1)?

Yes [X]No []

d) If c) is "Yes", answer the following:

i) When was the request filed with the Department of Financial Services?

Date: 11/08/13

ii) When was the request approved?

Date: n/a

NY6

GENERAL INTERROGATORIES (Continued)

13 a)

Provide the following information on the MCHBP's general liability insurance coverage:

i)

Name of Carrier:

Each municipality within the Consortium carries its own GL coverage through a policy or is self-insured, Exposure is

ii)

Limits of Coverage:

minimal for a GL claim since the Consortium has no employees or offices. Most meetings are held at the County's conference

iii)

Expiration Date:

room, and the County is self-insured for activities that occur in that conference room.

14

Complete the Itemization of Stop-Loss Fund Recoveries schedule below.

	Itemization of Stop-Loss Fund Recoveries		
	1 Current Year	2 Prior Year	3 Projected
1. Aggregate Stop-Loss Coverage Per Insurance Law § 4707(a)(1)	0	0	0
2. Specific Stop-Loss Coverage Per Insurance Law § 4707(a)(2)	125000	303515.16	476200
3. Total	125000	303515.16	476200

15 a)

Provide the following information on the MCHBP's reinsurance (stop-loss) coverage:

i)

Name of Carrier:

Highmark Life Insurance Co.

ii)

Limits of Coverage:

\$300,000 specific deductible w/\$1,700,000 policy year maximum, lifetime unlimited 125% aggregate corridor w/either a) sum of monthly aggregate deductible amounts applicable to each policy month in the current term, or b) minimum aggregate deductible. \$1,000,000 policy per year maximum.

iii)

Expiration Date:

December 31, 2015

b)

If the MCHBP does not have this coverage, explain:

N/A

16 a)

Does the MCHBP set up its claim liability for hospital and other medical services on a service date basis?

Yes [X] No []

b)

If No, give details:

N/A

17 a)

Was the MCHBP's prior year's annual statement amended?

Yes [] No [X]

b)

If yes, furnish the following information regarding the last amendment to the prior year's annual statement filed with the MCHBP's state of domicile

i)

Amendment number

N/A

ii)

Date of amendment

N/A

18

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Ciaschi Dietershagen Little Mickelson & Company, LLP, 401 East State Street, Suite 500, Ithaca, NY 14850

19

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Acquarius Capital Solutions Group LLC, 110 Betsy Brown Rd, Port Chester, NY 10573. No affiliation with Consortium

20

Does the reporting entity keep a complete permanent record of the proceedings of its governing board and all subordinate committees thereof?

Yes [X] No []

21. a)

Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?

\$0

b)

List the name of the firm and the amount paid if any such payment represented 5% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
n/a	\$0

22. a)

Does the MCHBP plan to refund any amounts in excess of reserves and surplus required by § 4706 of the New York Insurance Law and anticipated expenses in the plan's joint funds to participating municipal corporations during the next 90 days?

Yes [] No [X]

b)

If a) is "Yes", provide the following:

i)

Anticipated date of distribution.

Date: N/A

ii)

Anticipated amount of distribution.

N/A

23. a)

Has the MCHBP's current community rating methodology been filed with and approved by the superintendent as required by § 4705(d)(5)(B) of the New York Insurance Law?

Yes [X] No []

b)

If a) is "Yes", answer the following:

i)

When was the request filed with the Department of Financial Services?

Date: 10/01/10

ii)

When was the request approved?

Date: N/A

iii)

If approved, please attach a copy of the approval letter.

c)

If a) is "No", give particulars, including when the community rating methodology will be filed with the Department of Financial Services:

This information was submitted as part of our application process to the State and was approved at that time.

A defacto authorization has been deemed to be received as the Consortium received a Certificate of Authority to operate on 10/1/2010.

SCHEDULE A — CASH AND CASH EQUIVALENTS

1	2	3	4	5	6	7	8	9
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Received During Fiscal Year	Amount of Interest Due & Accrued at end of Current Fiscal Year	Balance
Depository — Cash	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Tompkins Trust	XXX	XXX	0.076	XXX	XXX	6,212	-	7,958,073
		XXX		XXX	XXX			
		XXX		XXX	XXX			
		XXX		XXX	XXX			
		XXX		XXX	XXX			
		XXX		XXX	XXX			
		XXX		XXX	XXX			
		XXX		XXX	XXX			
		XXX		XXX	XXX			
		XXX		XXX	XXX			
0199999 Total — Cash on Deposit	XXX	XXX	XXX	XXX	XXX	6,212	-	7,958,073
0299999 Cash in Company's Office	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0399999 Total — Cash	XXX	XXX	XXX	XXX	XXX	6,212	-	7,958,073
Description — Cash Equivalent	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
0499999 Total — Cash Equivalent	XXX	XXX	XXX	XXX	-	-	-	-
0599999 Total — Cash and Cash Equivalent	XXX	XXX	XXX	XXX	\$ -	\$ 6,212	\$ -	\$ 7,958,073
NOTE: Negotiable certificates of deposit to be reported in Schedule B.								

N.Y. SCHEDULE F — CLAIMS PAYABLE ANALYSIS
(ON A FISCAL YEAR BASIS)

Calculation of Unpaid Claims Reserves at Year End

Unpaid claims reserve = [(percent approved by the department expressed as a decimal)*(Paid claims CY - Unpaid claims PY)] / (1-percent approved by the department expressed as a decimal)

Reserve requirement	12%	As Approved by the Department of Financial Services (Formally the Insurance Department)
Paid claims CY	\$ 30,619,001	From Section I, Col B, Line 4 below
Unpaid claims PY	\$ 2,749,847	From Section I, Col C, Line 4 below. Includes expenses on claims reported and not yet paid, and expenses on claims incurred but not yet reported
Result	\$ 3,800,339	
Total Claim Payable Per Actuary - Hospital and Medical Claims	\$ 2,738,512	Includes expenses on claims reported and not yet paid, and expenses on claims incurred but not yet reported
Total Claims Payable Per Actuary - Drug Claims	22647	Includes expenses on claims reported and not yet paid, and expenses on claims incurred but not yet reported
Total Claims Payable Per Actuary - Other	0	Includes expenses on claims reported and not yet paid, and expenses on claims incurred but not yet reported
Total Claims Payable Per Actuary	\$ 2,761,159	To be reported on page NY 3 Line 1.1
Total Additional Amount Required by Section 4706(a)(1)	\$ 1,039,180	To be reported on Page NY 3 Line 1.2
Total Claims Payable	\$ 3,800,339	To be reported on Page NY 3 line 1.3

SECTION I — CLAIMS INCURRED

A	B	C	D	E
Description of Claims	Paid During Year	Unpaid Prior Year	Unpaid Current Year	Incurred This Year* (B - C + D)
1. Hospital & Medical Claims - Per Actuary	22,878,054	2,726,944	2,738,512	22,889,622
2. Drug Claims - Per Actuary	7,740,947	22,903	22,647	7,740,691
3. Other - Per Actuary		-	-	-
4. Total	30,619,001	2,749,847	2,761,159	30,630,313

*Must equal hospital and medical expenses accrued and unpaid which are reported on Report #2, Line18.

SECTION II — ANALYSIS OF UNPAID CLAIMS — CURRENT FISCAL YEAR

A	B	C	D
Description of Claims	Reported Claims in Process of Adjustment	Estimated Incurred but Unreported	Total—Claims Payable* (Columns B + C)
1. Hospital & Medical Claims - Per Actuary	280,293	2,458,219	2,738,512
2. Drug Claims - Per Actuary	-	22,647	22,647
3. Other - Per Actuary	-	-	-
4. Total	280,293	2,480,866	2,761,159

* Must equal Section 1, Col. D.

SECTION III — ANALYSIS OF UNPAID CLAIMS — PREVIOUS FISCAL YEAR

A	Claims Paid During the Year*		Claims Unpaid at End of Current Year Viz: Estimated Liability at End of Current Year		F Total Claims Paid During the Year and Claims Unpaid at End of Current Year on Claims Incurred in Prior Years (B + D)	G** Estimated Liability of Unpaid Claims at End of Previous Year	H Amount Unpaid Claims is Over or (Under) Reserved
	B On Claims Incurred Prior to Current Year	C On Claims Incurred During the Year	D On Claims Unpaid at End of Previous Year	E On Claims Incurred During the Year			
1. Hospital & Medical Claims	1,988,662	20,889,392	45,010	2,693,502	2,033,672	2,726,944	693,272
2. Drug Claims	(5,712)	7,746,659		22,647	(5,712)	22,903	28,615
3. Other	-	-	-		-	-	-
4. TOTAL	1,982,950	28,636,051	45,010	2,716,149	2,027,960	2,749,847	721,887

* Must equal Section 1, Col. B.

** Must equal Section 1, Col. C.

NOTE: The sum of the amounts reported on Line 4, Column D+E must equal the amount reported on Schedule F, Section II, Line 4, Column D.

NOTE: All three sections must be reported on a fiscal year basis.

N.Y. SCHEDULE H — FIVE-YEAR HISTORICAL DATA

A	B Current Year 2014	C 2013	D 2012	E 2011	F 2010
BALANCE SHEET ITEMS (Page 2, 3)					
1. Total Assets	15,443,004	11,135,054	7,708,613	4,320,054	1,441,811
2. Total Liabilities	4,542,305	4,086,171	3,082,421	3,070,435	-
3. Total Capital and Surplus	10,900,699	7,048,883	4,626,192	1,249,619	1,441,811
4. Contingency Reserve	1,803,165	1,725,384	1,428,777	1,289,746	1,223,736
5. Total Net Worth	10,900,699	7,048,883	4,626,192	1,249,619	1,441,811
INCOME STATEMENT ITEMS (Page 4)					
6. Net Premium Income	36,063,291	34,507,671	28,575,531	25,794,917	1,441,099
7. Total Revenues	36,210,591	34,664,105	28,688,765	25,968,215	1,441,944
8. Total Hospital and Medical expenses	30,131,675	27,969,174	24,022,732	24,965,572	133
9. Total Administration expenses	1,883,458	1,873,777	1,384,161	1,194,835	-
10. Net Income	4,066,450	4,669,374	3,178,173	(192,192)	1,441,811
11. Member Months	60,188	61,063	53,375	52,873	0
12. Net Premium Income (PMPM)	599.18	565.12	535.37	487.87	#DIV/0!
13. Total Revenues(PMPM)	601.62	567.68	537.49	491.14	#DIV/0!
14. Total Hospital And Medical Expenses (PMPM)	500.63	458.04	450.07	472.18	#DIV/0!
15. Total Administration Expenses (PMPM)	31.29	30.69	25.93	22.60	#DIV/0!
16. Net Income (PMPM)	67.56	76.47	59.54	(3.63)	#DIV/0!
FORMULAS					
17. Other Invested Assets/Total Assets	0.00	0.00	0.00	0.00	0.00
18. Total Hospital and Medical Expenses / Net Premium IncomePremium	0.84	0.82	0.88	0.97	0.00
19. Total Administration Expenses / Total Revenues	0.05	0.05	0.05	0.05	0.00
UNPAID CLAIMS ANALYSIS					
20. Total Claims Paid During the Year etc. (From Schedule F, Section III, Col. F, Line 4)	2,027,960	2,060,317	1,764,389	-	-
21. Estimated Liability of Unpaid Claims— Previous Year	2,749,847	2,657,286	3,043,382	-	-

SCHEDULE I-1 — PARTICIPATING MUNICIPAL CORPORATIONS (OR SCHOOL DISTRICTS)

A	B Prior Year End	C 1st Quarter	D 2nd Quarter	E 3rd Quarter	F 4th Quarter
Number of Participating Municipal Corporations	15	15	15	15	15

SCHEDULE I-2 — EMPLOYEES AND RETIREES OF THE MUNICIPAL CORPORATION ENROLLED (OR SCHOOL DISTRICTS)

A	B Prior Year End	C 1st Quarter	D 2nd Quarter	E 3rd Quarter	F 4th Quarter
Number of employees and retirees enrolled	2,288	2,271	2,265	2,267	2,268

SCHEDULE I-3 — ENROLLMENT DATA (Participants)

A	B Prior Year End	C 1st Quarter	D 2nd Quarter	E 3rd Quarter	F 4th Quarter
Number of total lives covered	61,063	15,115	15,046	15,020	15,007

SCHEDULE K —CALCULATION OF SURPLUS PER SECTION 4706(a)(5)

	Current Year
1. Number of participating Municipal Corporations	15
2. Number of enrolled members	2,268
3. Percentage used to calculate the Surplus per Section 4706(a)(5)	5%
4. Net premium income	36,063,291
5. Surplus per Section 4706(a)(5)	1,803,165

OVERFLOW PAGE FOR WRITE-INS

	Current Year 1 Total	Previous Year * 2 Total	Current Year 3 PMPM	Previous Year * 4 PMPM
Page NY 2 DETAILS OF ADDITIONAL WRITE-INS AGGREGATED AT ITEM 8 FOR INVESTED ASSETS				
0806.			xxx	xxx
0807.			xxx	xxx
0808.			xxx	xxx
0809.			xxx	xxx
0810.			xxx	xxx
0898. TOTALS (Items 0806 thru 0810)	-	-	xxx	xxx
Page NY 2 DETAILS OF ADDITIONAL WRITE-INS AGGREGATED AT ITEM 16 FOR OTHER THAN INVESTED ASSETS				
1606.			xxx	xxx
1607.			xxx	xxx
1608.			xxx	xxx
1609.			xxx	xxx
1610.			xxx	xxx
1698. TOTALS (Items 1606 thru 1610)	-	-	xxx	xxx
Page NY 3 DETAILS OF ADDITIONAL WRITE-INS AGGREGATED AT ITEM 10 FOR OTHER LIABILITIES				
1006.			xxx	xxx
1007.			xxx	xxx
1008.			xxx	xxx
1009.			xxx	xxx
1010.			xxx	xxx
1098. TOTALS (Items 1006 thru 1010)	-	-	xxx	xxx
Page NY 3 DETAILS OF ADDITIONAL WRITE-INS AGGREGATED AT ITEM 15 FOR CURRENT LIABILITIES				
1506.			xxx	xxx
1507.			xxx	xxx
1508.			xxx	xxx
1509.			xxx	xxx
1510.			xxx	xxx
1598. TOTALS (Items 1506 thru 1510)	-	-	xxx	xxx
Page NY 3 DETAILS OF ADDITIONAL WRITE-INS AGGREGATED AT ITEM 17 FOR SPECIAL SURPLUS FUNDS				
1706.			xxx	xxx
1707.			xxx	xxx
1708.			xxx	xxx
1709.			xxx	xxx
1710.			xxx	xxx
1798. TOTALS (Items 1706 thru 1710)	-	-	xxx	xxx
Page NY 4 DETAILS OF ADDITIONAL WRITE-INS AGGREGATED AT ITEM 4 FOR OTHER HEALTH CARE RELATED REVENUES				
0406.			-	-
0407.			-	-
0408.			-	-
0409.			-	-
0410.			-	-
0498. TOTALS (Items 0406 thru 0410)	-	-	-	-
Page NY 4 DETAILS OF ADDITIONAL WRITE-INS AGGREGATED AT ITEM 13 FOR OTHER HOSPITAL AND MEDICAL				
1306.			-	-
1307.			-	-
1308.			-	-
1309.			-	-
1310.			-	-
1398. TOTALS (Items 1306 thru 1310)	-	-	-	-
Page NY 4 DETAILS OF ADDITIONAL WRITE-INS AGGREGATED AT ITEM 15 FOR OTHER EXPENSES				
1506.			-	-
1507.			-	-
1508.			-	-
1509.			-	-
1510.			-	-
1598. TOTALS (Items 1506 thru 1510)	-	-	-	-
Page NY 4 DETAILS OF ADDITIONAL WRITE-INS AGGREGATED AT ITEM 20.8 FOR OTHER ADMINISTRATIVE EXPENSES				
20.806.			-	-
20.807.			-	-
20.808.			-	-
20.809.			-	-
20.810.			-	-
20.898. TOTALS (Items 20.806 thru 20.810)	-	-	-	-
Page NY 4 DETAILS OF ADDITIONAL WRITE-INS AGGREGATED AT ITEM 27 FOR OTHER INCOME OR EXPENSES				
2706.			-	-
2707.			-	-
2708.			-	-
2709.			-	-
2710.			-	-
2798. TOTALS (Items 2706 thru 2710)	-	-	-	-

* As reported on Prior Year End filed Annual Statement.

OVERFLOW PAGE FOR WRITE-INS

		Current Year	Previous Year *
		1	2
		Total	Total
Page NY5			
DETAILS OF ADDITIONAL WRITE-INS AGGREGATED AT			
ITEM 46 FOR CHANGES IN OTHER NET WORTH ITEMS			
4606.			
4607.			
4608.			
4609.			
4610.			
4698.	TOTALS (Items 4606 thru 4610)	-	-
Page NY5			
DETAILS OF ADDITIONAL WRITE-INS AGGREGATED AT			
ITEM 47 FOR GAINS OR (LOSSES) IN SURPLUS			
4706.			
4707.			
4708.			
4709.			
4710.			
4798.	TOTALS (Items 4706 thru 4710)	-	-

* As reported on Prior Year End filed Annual Statement.

OVERFLOW PAGE FOR SCHEDULE B — INVESTMENTS (COMMON STOCKS)

[illegible]

Greater Tompkins County Municipal Health Insurance Consortium

Actuarial Review of Outstanding Claim Liabilities as of December 31, 2014

Confidential

Prepared by: Aquarius Capital Solutions Group LLC
Date: April 21, 2015

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Introduction

Background

The Greater Tompkins County Municipal Health Insurance Consortium (the Consortium) has retained Aquarius Capital Solutions Group, LLC (Aquarius) to conduct an independent actuarial review of the Consortium's outstanding claim liabilities for its self-funded medical and prescription drug plan as of December 31, 2014 as required by Article 47 of the New York State Insurance Law.

This law, called the Municipal Cooperative Health Benefits Plan Law, requires health benefits plans to obtain a Certificate of Authority from the Superintendent of Insurance (the Superintendent of Financial Services as of October 3, 2011) and execute municipal cooperation agreements with the participants of the Consortium. One of the requirements of Article 47 is that the Consortium obtains "a qualified actuary's opinion relating to loss reserves, provision for experience rating refunds, and any other actuarial items."

This Actuarial Memorandum describes the analysis done in support of the Statement of Opinion contained herein in Appendix A regarding the Consortium's outstanding claim liabilities as of December 31, 2013. Actuarial methods, considerations, and analyses used in forming this opinion conform to the relevant Standards of Practice as promulgated from time to time by the Actuarial Standards Board, which standards form the basis of this statement of opinion.

The Consortium, originally comprised of thirteen (13) member participants, received its Certificate of Authority effective October 1, 2010, however did not start collecting premiums and paying claims until January 1, 2011. Effective January 1, 2013, the Consortium added two (2) new member participants. As of December 2014, the Consortium covers 2,268 employees and 4,992 total members (employees plus dependents). The original thirteen participants along with the two new participants effective January 1, 2013 included in this valuation as of the valuation date include:

- | | |
|----------------------------|-------------------------------|
| o – County of Tompkins | o – City of Ithaca |
| o – Town of Caroline | o – Town of Ithaca |
| o – Town of Danby | o – Town of Ulysses |
| o – Town of Dryden | o – Village of Cayuga Heights |
| o – Town of Enfield | o – Village of Dryden |
| o – Town of Groton | o – Village of Groton |
| o – Village of Trumansburg | o – City of Cortland (new) |
| o – Town of Lansing (new) | |

Plan Administration

The self-funded plan provides comprehensive health care benefits including coverage for expenses related to:

- inpatient hospital stays;
- treatment provided in an outpatient hospital setting;
- professional medical services (i.e., physician charges);
- hospice and skilled nursing facility charges;
- home health care;
- diagnostic X-ray and laboratory services; and
- prescription drugs.

Excellus Blue Cross Blue Shield of the Central New York Region (Excellus) administers all medical claims on behalf of the Consortium and its members. Effective January 1, 2013, ProAct, a third party pharmacy benefits manager (PBM), administers all prescription drug claims on behalf of the Consortium. Prior to January 1, 2013, Medco/Express Scripts administered the prescription drug claims for the Consortium.

Limitations

This Actuarial Memorandum is for the internal use of the Consortium, its consultant Locey & Cahill, LLC, its financial auditors in connection with its audit, and the New York State Department of Financial Services (DFS) in connection with its statutory annual statement filing. This memo and all attachments contained herein may include proprietary information and, as such, should be considered a confidential document and not distributed to any other external party without the written consent of Aquarius. If Aquarius consents to distribution of this product it must be provided in its entirety and the party be advised to have an actuary review the work.

This report is provided to the Consortium for the purpose of meeting New York State DFS requirements governing Annual Statement filings and Actuarial Statement of Opinions. Information in this report may not be appropriate to use for other purposes. Aquarius does not intend to benefit from the overall results of the report and we assume no duty, liability or obligation to parties that use this work for other reasons other than its stated intention.

Data Reliance

In our review, we have relied on the experience data and other information provided by the Consortium and Locey & Cahill. We have not audited or verified the accuracy of the experience data and other information. Our understanding is that claims experience includes cost amounts for New York State assessments (e.g., HCRA covered lives, etc.). If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

Summary of Results and Methodology

Article 47 Incurred But Unpaid Reserves

As of December 31, 2014, the Consortium established \$3,800,339 incurred but unpaid (IBNP) claim reserve liability in accordance with Section 4706(1) of Article 47 of the New York State Insurance Law. The table below summarizes the estimates which are also contained in Attachment 1 at the end of this report.

Category	Source	Aquarius Capital Model Estimates ⁽²⁾			GTCMHIC IBNP ⁽¹⁾
		Medical	Pharmacy	Total	
1. Calculated (IBNP)	[Attach 2, 3]	\$2,445,100	\$20,221	\$2,465,321	
2. Provision for Adverse Deviation ⁽³⁾	[(1) x 10%]	\$244,510	\$2,022	\$246,532	
3. Provision for Claim Settlement Exp. ⁽⁴⁾	[(1) x 2%]	<u>\$48,902</u>	<u>\$404</u>	<u>\$49,306</u>	
4. Claim Liability as of 12/31/2014	[(1)+(2)+(3)]	\$2,738,512	\$22,647	\$2,761,159	\$3,800,339
5. CY2014 Incurred Claims	[Attach 4]	\$22,889,622	\$7,740,691	\$30,630,313	\$31,669,493
6. Liability as % of Incurred Claims	[(4) / (5)]			9.0%	12.0%

¹ The Consortium has reached agreement with the Superintendent of Financial Services to hold IBNP reserves equivalent to 12% of annual medical and pharmacy *incurred* claims per NY Schedule F. See Attachment 4.

² Aquarius Capital model estimates determined using actuarial methods (i.e., age-to-age completion factor development “chain ladder” method). Methodology is described further below. Month-by-month incurred & paid claims, completion factors and estimated incurred claims for both medical and pharmacy claims can be found in Attachments 2 and 3.

³ Provision for Adverse Deviation (PAD) reflects margin for claim fluctuations and is based on 10% of calculated IBNP claim reserves.

⁴ Provision Claim Settlement Expense is based on 2% of calculated IBNP claim reserves.

These reserves are sufficient to meet the Consortium’s outstanding obligations and are in compliance with the terms of the Consortium’s Certificate of Authority in the aggregate. All actuarial computations were prepared in accordance with generally accepted actuarial principles and practices with reliance on the accuracy and completeness of the information provided for this purpose.

The ultimate solvency of a health benefit plan cannot be determined until its history unfolds. No one can predict with precision the increase in medical costs and the rate at which claims are reported or paid. A reasonable approximation of the true cost can be provided through actuarial estimates. As actual experience emerges, the continued appropriateness of the techniques and assumptions employed should be examined, with modifications made as judged necessary.

Methodology

The major reserve liability generated by a medical plan is the “incurred but not paid” (IBNP) claims liability. The IBNP liability represents the dollar amount that will be paid for claims that have been incurred (i.e., for which services have been rendered) prior to the measurement date of December 31, 2014, but for which payment will not be made until after the measurement date. This liability includes claims that have been incurred but not reported plus claims that have been reported but not paid.

The Department of Financial Services recommends that Municipal Cooperative Health Benefit Plans determine IBNP claim reserves separately for hospital/medical claims and pharmacy claims. For hospital/medical claims, the IBNP reserve should be set at an amount reflecting application of actuarial methods and principals including a ten-percent (10%) margin for claim fluctuations, but no lower than seventeen-percent (17%) of incurred hospital/medical claims and related expenses. For prescription drug claims, the IBNP reserve should be set at an amount reflecting application of actuarial methods and principals including a ten-percent (10%) margin for claim fluctuations, but no lower than five-percent (5%) of incurred pharmacy claims and related expenses.

These requirements hold unless “a qualified actuary has demonstrated to the Superintendent that a lesser amount will be adequate”. The Consortium has provided such demonstration to the Superintendent of Financial Services in the 2011 fiscal year (calendar year 2011). Henceforth, the Superintendent of Financial Services has agreed that the Consortium need only hold reserves for its IBNP liability equal to or greater than twelve-percent (12%) of expected medical and pharmacy incurred claims combined. The balance of this section summarizes the approach used to assess the adequacy of the IBNP reserve held by the Consortium as of December 31, 2014 of \$3,800,339.

While the ultimate amount of claims that will be paid out cannot be determined until history unfolds, a reasonable approximation can be provided through actuarial estimates, based on past claims payment patterns. Monthly paid claims for medical and pharmacy data split by month of incurral from Excellus, Express Scripts/Medco, and ProAct was provided by the Consortium’s consultant Locey & Cahill, LLC for *dates of service* between January 1, 2011 through December 31, 2014 and *paid dates* between January 1, 2011 through January 31, 2015.

Estimates of the December 31, 2014 unpaid claims liabilities were obtained through the use of Aquarius’s reserving model. This model utilizes loss development triangles to develop completion factors whereby age-to-age development factors are calculated (i.e., “chain ladder method”). These completion factors represent the percentage of claims incurred in a given month that are paid in that month, the following month, etc. These factors are then applied to the cumulative claims paid for each month of incurral to estimate the total incurred claims in the month. Completion factors were developed for medical claims and prescription drug claims separately as the two services complete with differing patterns.

The final set of completion factors are used to calculate ultimate incurred claim estimates for each month of incurral from January 2011 through December 2014. The incurred, but unpaid reserve estimates for each month of incurral are calculated as the difference between ultimate incurred claims and claims incurred and paid for the month as of the valuation date. Claims paid during January 2015 are “added-back” to arrive at final December 31, 2014 reserve estimates. Attachments 2 and 3 contain the detail of this calculation for medical and pharmacy incurred claim cost estimates.

Because the calculation of incurred but unpaid claim liabilities described above provides a “best estimate” of the true liabilities that will emerge, a margin for conservatism to account for volatility and fluctuations in the claims activity is appropriate. These margins vary in practice and are, in part, discretionary. Aquarius estimates include a ten-percent (10%) margin or Provision for Adverse Deviation (PAD). While the exact amount of the margin is subject to judgment, it is recommended that these margins be consistent from year to year.

A provision for claim settlement expenses is also typically appropriate. This amount represents the expense attributable to payment of incurred but unpaid claims. Aquarius estimates include a 2% assumption for administration costs associated with paying reserve claims applied to the IBNP. Attachment 1 illustrates the Aquarius calculated IBNP components for both medical claims and pharmacy claims along with a comparison to the Consortium’s “booked” IBNP based on twelve-percent (12%) of medical and pharmacy incurred claims.

Based on the results of Aquarius’s reserve calculations using actuarial methods, the total IBNP, including margins described above, as of December 31, 2014 represents approximately 9.0% of annual incurred medical and pharmacy claims for 2014. In light of these results, the reserves held by the Consortium for claims that have been incurred but unpaid as of December 31, 2014 are sufficient to satisfy the Consortium’s obligations.

Attachments

<u>Attachment</u>	<u>Page</u>	<u>Description</u>
1	7	<i>Total Outstanding Claim Liability</i> summarizes Aquarius estimated total claim liabilities compared to amounts held by Consortium.
2	8	<i>Monthly Medical Incurred Claims and Reserve Estimates</i> illustrates Aquarius estimates of monthly incurred claim cost and incurred but unpaid reserves through December 31, 2014 for medical services.
3	9	<i>Monthly Pharmacy Incurred Claims and Reserve Estimates</i> illustrates Aquarius estimates of monthly incurred claim cost and incurred but unpaid reserves through December 31, 2014 for pharmacy services.
4	10	<i>NY Schedule F – Claims Payable Analysis</i> provides a reconciliation to Schedule F of the Consortium's annual statement filing.

Attachment 1
Greater Tompkins County Municipal Health Insurance Consortium
Self-Funded Medical and Pharmacy Plan
Outstanding Claim Liability Estimate as of December 31, 2014

Category	Source	Aquarius Capital Model Estimates			GTCMHIC
		Medical	Pharmacy	Total	Booked IBNP *
1. Calculated IBNP - Age to Age Completion Factors	[Attach. 2, 3]	\$ 2,445,100	\$ 20,221	\$ 2,465,321	
2. Provision for Adverse Deviation at 10% of IBNP	[(1) x (10%)]	\$ 244,510	\$ 2,022	\$ 246,532	
3. Provision for Claim Settlement Expenses at 2% of IBNP	[(1) x (2%)]	\$ 48,902	\$ 404	\$ 49,306	
4. Total Outstanding Claim Liability as of 12/31/2014	[(1)+(2)+(3)]	\$ 2,738,512	\$ 22,647	\$ 2,761,159	\$ 3,800,339
5. Total 2014 Incurred Claims w/ Margins	[Attach. 4]	\$ 22,889,622	\$ 7,740,691	\$ 30,630,313	\$ 31,669,493
6. Total Liability as a % of Incurred Claims	[(4) / (5)]			9.0%	12.0%

* GTCMHIC Booked IBNP is calculated as 12% of medical and pharmacy incurred claims per NY Schedule F. See Attachment 4

Attachment 2
Greater Tompkins County Municipal Health Insurance Consortium
Monthly Incurred Claims and Reserve Estimates
Medical

Valuation as of January 31, 2015

[A]	[B]	[C]=Input	[D]=Input	[E]=Input	[F]=CF Sheet	[G]=[E]/[F]	[H]=Input	[I]=[G]/[C]	[J]=[H]/[C]	[K]=[G]/[D]	[L]=[H]/[D]	[M]=Input	[N]=[G]-[E]+[M]
Duration	Month	Subscribers	Members	Incurred & Paid Claims through 01/31/2015	Completion Factor	Incurred Claims	Mature Paid Claims	Incurred Claims per Subscriber	Mature Paid Claims per Subscriber	Incurred Claims per Member	Mature Paid Claims per Member	Paid Claims Run-Out (Jan-15)	Reserve at Jan. 31, 2015
48	Jan-11	1,992	4,362	\$ 1,505,388	1.0000	\$ 1,505,388	\$ 378,952	\$ 755.72	\$ 190.24	\$ 345.11	\$ 86.88	\$ -	\$ -
47	Feb-11	1,996	4,371	\$ 1,436,193	1.0000	\$ 1,436,193	\$ 1,269,381	\$ 719.54	\$ 635.96	\$ 328.57	\$ 290.41	\$ -	\$ -
46	Mar-11	1,988	4,362	\$ 1,498,795	1.0000	\$ 1,498,795	\$ 1,368,657	\$ 753.92	\$ 688.46	\$ 343.60	\$ 313.77	\$ -	\$ -
45	Apr-11	1,999	4,387	\$ 1,662,680	1.0000	\$ 1,662,680	\$ 1,314,318	\$ 831.76	\$ 657.49	\$ 379.00	\$ 299.59	\$ -	\$ -
44	May-11	1,999	4,389	\$ 1,386,004	1.0000	\$ 1,386,004	\$ 1,480,718	\$ 693.35	\$ 740.73	\$ 315.79	\$ 337.37	\$ -	\$ -
43	Jun-11	2,005	4,425	\$ 1,407,803	1.0000	\$ 1,407,803	\$ 1,474,428	\$ 702.15	\$ 735.38	\$ 318.15	\$ 333.20	\$ -	\$ -
42	Jul-11	2,002	4,424	\$ 1,335,790	1.0000	\$ 1,335,790	\$ 1,559,791	\$ 667.23	\$ 779.12	\$ 301.94	\$ 352.57	\$ -	\$ -
41	Aug-11	1,998	4,423	\$ 1,491,395	1.0000	\$ 1,491,395	\$ 1,557,187	\$ 746.44	\$ 779.37	\$ 337.19	\$ 352.07	\$ -	\$ -
40	Sep-11	2,000	4,430	\$ 1,430,058	1.0000	\$ 1,430,058	\$ 1,303,770	\$ 715.03	\$ 651.88	\$ 322.81	\$ 294.30	\$ 820	\$ 820
39	Oct-11	1,995	4,416	\$ 1,361,449	1.0000	\$ 1,361,449	\$ 1,302,181	\$ 682.43	\$ 652.72	\$ 308.30	\$ 294.88	\$ -	\$ -
38	Nov-11	1,987	4,403	\$ 1,476,937	1.0000	\$ 1,476,937	\$ 1,310,367	\$ 743.30	\$ 659.47	\$ 335.44	\$ 297.61	\$ -	\$ -
37	Dec-11	1,984	4,408	\$ 1,327,436	1.0000	\$ 1,327,436	\$ 1,431,063	\$ 669.07	\$ 721.30	\$ 301.14	\$ 324.65	\$ -	\$ -
36	Jan-12	2,004	4,451	\$ 1,430,807	1.0000	\$ 1,430,807	\$ 1,253,109	\$ 713.98	\$ 625.30	\$ 321.46	\$ 281.53	\$ -	\$ -
35	Feb-12	2,001	4,445	\$ 1,302,601	1.0000	\$ 1,302,601	\$ 1,265,205	\$ 650.98	\$ 632.29	\$ 293.05	\$ 284.64	\$ (2)	\$ (2)
34	Mar-12	2,005	4,452	\$ 1,838,054	1.0000	\$ 1,838,054	\$ 1,424,401	\$ 916.74	\$ 710.42	\$ 412.86	\$ 319.95	\$ -	\$ -
33	Apr-12	2,005	4,453	\$ 1,808,506	1.0000	\$ 1,808,506	\$ 1,548,549	\$ 902.00	\$ 772.34	\$ 406.13	\$ 347.75	\$ (8)	\$ (8)
32	May-12	2,003	4,450	\$ 1,742,189	1.0000	\$ 1,742,189	\$ 1,755,700	\$ 869.79	\$ 876.54	\$ 391.50	\$ 394.54	\$ -	\$ -
31	Jun-12	2,004	4,446	\$ 1,448,797	1.0000	\$ 1,448,797	\$ 1,485,432	\$ 722.95	\$ 741.23	\$ 325.87	\$ 334.11	\$ -	\$ -
30	Jul-12	2,009	4,452	\$ 1,531,209	1.0000	\$ 1,531,209	\$ 1,636,737	\$ 762.17	\$ 814.70	\$ 343.94	\$ 367.64	\$ -	\$ -
29	Aug-12	2,008	4,456	\$ 1,534,823	0.9999	\$ 1,534,823	\$ 1,718,470	\$ 764.35	\$ 855.81	\$ 344.44	\$ 385.65	\$ -	\$ 153
28	Sep-12	2,001	4,433	\$ 1,340,407	0.9998	\$ 1,340,407	\$ 1,767,191	\$ 670.00	\$ 883.15	\$ 302.43	\$ 398.64	\$ -	\$ 268
27	Oct-12	2,002	4,450	\$ 1,396,750	0.9997	\$ 1,397,170	\$ 1,444,496	\$ 697.89	\$ 721.53	\$ 313.97	\$ 324.61	\$ -	\$ 419
26	Nov-12	2,004	4,447	\$ 1,610,665	0.9996	\$ 1,611,309	\$ 1,118,635	\$ 804.05	\$ 558.20	\$ 362.34	\$ 251.55	\$ -	\$ 644
25	Dec-12	2,003	4,444	\$ 1,305,813	0.9995	\$ 1,306,466	\$ 1,522,253	\$ 652.25	\$ 759.99	\$ 293.98	\$ 342.54	\$ -	\$ 653
24	Jan-13	2,283	5,113	\$ 1,760,408	0.9994	\$ 1,761,465	\$ 1,621,930	\$ 771.56	\$ 710.44	\$ 344.51	\$ 317.22	\$ (1,590)	\$ (534)
23	Feb-13	2,282	5,102	\$ 1,979,739	0.9991	\$ 1,981,480	\$ 1,643,890	\$ 868.31	\$ 720.37	\$ 388.37	\$ 322.21	\$ 62	\$ 1,803
22	Mar-13	2,281	5,099	\$ 1,469,172	0.9990	\$ 1,470,612	\$ 1,688,287	\$ 644.72	\$ 740.15	\$ 288.41	\$ 331.10	\$ (21)	\$ 1,419
21	Apr-13	2,281	5,085	\$ 1,617,917	0.9989	\$ 1,619,664	\$ 1,962,939	\$ 710.07	\$ 860.56	\$ 318.52	\$ 386.03	\$ -	\$ 1,747
20	May-13	2,278	5,068	\$ 1,892,601	0.9988	\$ 1,894,834	\$ 1,841,625	\$ 831.80	\$ 808.44	\$ 373.88	\$ 363.38	\$ 3,721	\$ 5,954
19	Jun-13	2,281	5,069	\$ 1,719,155	0.9986	\$ 1,721,495	\$ 1,740,707	\$ 754.71	\$ 763.13	\$ 339.61	\$ 343.40	\$ -	\$ 2,340
18	Jul-13	2,283	5,081	\$ 1,961,356	0.9985	\$ 1,964,254	\$ 1,852,777	\$ 860.38	\$ 811.55	\$ 386.59	\$ 364.65	\$ 36	\$ 2,934
17	Aug-13	2,274	5,063	\$ 1,742,000	0.9984	\$ 1,744,748	\$ 1,776,959	\$ 767.26	\$ 781.42	\$ 344.61	\$ 350.97	\$ 29	\$ 2,777
16	Sep-13	2,279	5,067	\$ 1,866,410	0.9983	\$ 1,869,541	\$ 2,232,248	\$ 820.33	\$ 979.49	\$ 368.96	\$ 440.55	\$ (150)	\$ 2,981
15	Oct-13	2,282	5,057	\$ 2,131,609	0.9976	\$ 2,136,719	\$ 1,542,158	\$ 936.34	\$ 675.79	\$ 422.53	\$ 304.96	\$ (150)	\$ 4,960
14	Nov-13	2,286	5,067	\$ 1,875,262	0.9970	\$ 1,880,977	\$ 1,649,356	\$ 822.82	\$ 721.50	\$ 371.22	\$ 325.51	\$ 226	\$ 5,941
13	Dec-13	2,287	5,061	\$ 1,766,788	0.9968	\$ 1,772,540	\$ 2,158,144	\$ 775.05	\$ 943.66	\$ 350.24	\$ 426.43	\$ (834)	\$ 4,918
12	Jan-14	2,275	5,045	\$ 2,072,784	0.9961	\$ 2,080,801	\$ 1,149,014	\$ 914.64	\$ 505.06	\$ 412.45	\$ 227.75	\$ (9,996)	\$ (1,979)
11	Feb-14	2,280	5,043	\$ 1,757,817	0.9947	\$ 1,767,204	\$ 418,934	\$ 775.09	\$ 183.74	\$ 350.43	\$ 83.07	\$ (316)	\$ 9,071
10	Mar-14	2,271	5,027	\$ 2,039,451	0.9933	\$ 2,053,289	\$ 375,159	\$ 904.13	\$ 165.20	\$ 408.45	\$ 74.63	\$ 840	\$ 14,677
9	Apr-14	2,271	5,023	\$ 1,971,505	0.9900	\$ 1,991,419	\$ 5,919,100	\$ 876.89	\$ 2,606.39	\$ 396.46	\$ 1,178.40	\$ 10,555	\$ 30,469
8	May-14	2,270	5,015	\$ 1,751,016	0.9850	\$ 1,777,681	\$ 1,666,603	\$ 783.12	\$ 734.19	\$ 354.47	\$ 332.32	\$ (1,268)	\$ 25,398
7	Jun-14	2,265	5,008	\$ 1,943,370	0.9800	\$ 1,983,031	\$ 1,959,000	\$ 875.51	\$ 864.90	\$ 395.97	\$ 391.17	\$ (3,222)	\$ 36,438
6	Jul-14	2,267	5,011	\$ 1,702,162	0.9700	\$ 1,754,806	\$ 2,071,472	\$ 774.07	\$ 913.75	\$ 350.19	\$ 413.38	\$ (3,657)	\$ 48,988
5	Aug-14	2,266	5,006	\$ 1,588,223	0.9600	\$ 1,654,399	\$ 2,001,565	\$ 730.10	\$ 883.30	\$ 330.48	\$ 399.83	\$ 4,925	\$ 71,101
4	Sep-14	2,267	5,003	\$ 1,819,042	0.9400	\$ 1,935,151	\$ 1,581,212	\$ 853.62	\$ 697.49	\$ 386.80	\$ 316.05	\$ 25,273	\$ 141,382
3	Oct-14	2,270	5,008	\$ 1,736,148	0.9100	\$ 1,907,855	\$ 1,702,434	\$ 840.46	\$ 749.97	\$ 380.96	\$ 339.94	\$ 39,578	\$ 211,285
2	Nov-14	2,270	5,007	\$ 2,010,667	0.8400	\$ 2,393,651	\$ 2,369,227	\$ 1,054.47	\$ 1,043.71	\$ 478.06	\$ 473.18	\$ 107,084	\$ 490,068
1	Dec-14	2,268	4,992	\$ 1,576,063	0.7900	\$ 1,995,016	\$ 1,664,333	\$ 879.64	\$ 733.83	\$ 399.64	\$ 333.40	\$ 909,061	\$ 1,328,015
Total		102,611	227,299	\$ 79,361,062	0.9831	\$ 80,725,167	\$ 78,280,067	\$ 786.71	\$ 762.88	\$ 355.15	\$ 344.39	\$ 1,080,996	\$ 2,445,100
CY 2011		23,945	52,800	\$ 17,319,928	1.0000	\$ 17,319,928	\$ 15,750,815	\$ 723.32	\$ 657.79	\$ 328.03	\$ 298.31	\$ 820	\$ 820
CY 2012		24,049	53,379	\$ 18,290,467	0.9999	\$ 18,292,605	\$ 17,940,179	\$ 760.64	\$ 745.98	\$ 342.69	\$ 336.09	\$ (10)	\$ 2,129
CY 2013		27,377	60,932	\$ 21,782,419	0.9984	\$ 21,818,329	\$ 21,711,019	\$ 796.96	\$ 793.04	\$ 358.08	\$ 356.32	\$ 1,329	\$ 37,239
CY 2014		27,240	60,188	\$ 21,968,248	0.9431	\$ 23,294,304	\$ 22,878,054	\$ 855.15	\$ 839.87	\$ 387.03	\$ 380.11	\$ 1,078,857	\$ 2,404,912

Attachment 3
Greater Tompkins County Municipal Health Insurance Consortium
Monthly Incurred Claims and Reserve Estimates
Pharmacy

Valuation as of January 31, 2015

[A]	[B]	[C]=Input	[D]=Input	[E]=Input	[F]=CF Sheet	[G]=[E]/[F]	[H]=Input	[I]=[G]/[C]	[J]=[H]/[C]	[K]=[G]/[D]	[L]=[H]/[D]	[M]=Input	[N]=[G]-[E]+[M]
Duration	Month	Subscribers	Members	Incurred & Paid Claims through 01/31/2015	Completion Factor	Incurred Claims	Mature Paid Claims	Incurred Claims per Subscriber	Mature Paid Claims per Subscriber	Incurred Claims per Member	Mature Paid Claims per Member	Paid Claims Run-Out (Jan-15)	Reserve at Jan. 31, 2015
48	Jan-11	1,992	4,362	\$ 522,956	1.0000	\$ 522,956	\$ 354,108	\$ 262.53	\$ 177.77	\$ 119.89	\$ 81.18	\$ -	\$ -
47	Feb-11	1,996	4,371	\$ 483,183	1.0000	\$ 483,183	\$ 485,353	\$ 242.08	\$ 243.16	\$ 110.54	\$ 111.04	\$ -	\$ -
46	Mar-11	1,988	4,362	\$ 544,578	1.0000	\$ 544,578	\$ 474,616	\$ 273.93	\$ 238.74	\$ 124.85	\$ 108.81	\$ -	\$ -
45	Apr-11	1,999	4,387	\$ 521,122	1.0000	\$ 521,122	\$ 482,274	\$ 260.69	\$ 241.26	\$ 118.79	\$ 109.93	\$ -	\$ -
44	May-11	1,999	4,389	\$ 543,789	1.0000	\$ 543,789	\$ 759,032	\$ 272.03	\$ 379.71	\$ 123.90	\$ 172.94	\$ -	\$ -
43	Jun-11	2,005	4,425	\$ 541,056	1.0000	\$ 541,056	\$ 486,216	\$ 269.85	\$ 242.50	\$ 122.27	\$ 109.88	\$ -	\$ -
42	Jul-11	2,002	4,424	\$ 514,439	1.0000	\$ 514,439	\$ 483,462	\$ 256.96	\$ 241.49	\$ 116.28	\$ 109.28	\$ -	\$ -
41	Aug-11	1,998	4,423	\$ 571,065	1.0000	\$ 571,065	\$ 481,231	\$ 285.82	\$ 240.86	\$ 129.11	\$ 108.80	\$ -	\$ -
40	Sep-11	2,000	4,430	\$ 580,272	1.0000	\$ 580,272	\$ 543,337	\$ 290.14	\$ 271.67	\$ 130.99	\$ 122.65	\$ -	\$ -
39	Oct-11	1,995	4,416	\$ 568,921	1.0000	\$ 568,921	\$ 557,617	\$ 285.17	\$ 279.51	\$ 128.83	\$ 126.27	\$ -	\$ -
38	Nov-11	1,987	4,403	\$ 601,300	1.0000	\$ 601,300	\$ 766,424	\$ 302.62	\$ 385.72	\$ 136.57	\$ 174.07	\$ -	\$ -
37	Dec-11	1,984	4,408	\$ 613,937	1.0000	\$ 613,937	\$ 591,547	\$ 309.44	\$ 298.16	\$ 139.28	\$ 134.20	\$ -	\$ -
36	Jan-12	2,004	4,451	\$ 642,446	1.0000	\$ 642,446	\$ 531,348	\$ 320.58	\$ 265.14	\$ 144.34	\$ 119.38	\$ -	\$ -
35	Feb-12	2,001	4,445	\$ 599,644	1.0000	\$ 599,644	\$ 596,349	\$ 299.67	\$ 298.03	\$ 134.90	\$ 134.16	\$ -	\$ -
34	Mar-12	2,005	4,452	\$ 640,371	1.0000	\$ 640,371	\$ 597,245	\$ 319.39	\$ 297.88	\$ 143.84	\$ 134.15	\$ -	\$ -
33	Apr-12	2,005	4,453	\$ 592,646	1.0000	\$ 592,646	\$ 549,939	\$ 295.58	\$ 274.28	\$ 133.09	\$ 123.50	\$ -	\$ -
32	May-12	2,003	4,450	\$ 642,318	1.0000	\$ 642,318	\$ 829,709	\$ 320.68	\$ 414.23	\$ 144.34	\$ 186.45	\$ -	\$ -
31	Jun-12	2,004	4,446	\$ 534,618	1.0000	\$ 534,618	\$ 535,537	\$ 266.78	\$ 267.23	\$ 120.25	\$ 120.45	\$ -	\$ -
30	Jul-12	2,009	4,452	\$ 547,998	1.0000	\$ 547,998	\$ 504,271	\$ 272.77	\$ 251.01	\$ 123.09	\$ 113.27	\$ -	\$ -
29	Aug-12	2,008	4,456	\$ 616,434	1.0000	\$ 616,434	\$ 521,136	\$ 306.99	\$ 259.53	\$ 138.34	\$ 116.95	\$ -	\$ -
28	Sep-12	2,001	4,433	\$ 539,002	1.0000	\$ 539,002	\$ 536,863	\$ 269.37	\$ 268.30	\$ 121.59	\$ 121.11	\$ -	\$ -
27	Oct-12	2,002	4,450	\$ 610,817	1.0000	\$ 610,817	\$ 780,880	\$ 305.10	\$ 390.05	\$ 137.26	\$ 175.48	\$ -	\$ -
26	Nov-12	2,004	4,447	\$ 625,718	1.0000	\$ 625,718	\$ 517,998	\$ 312.23	\$ 258.48	\$ 140.71	\$ 116.48	\$ -	\$ -
25	Dec-12	2,003	4,444	\$ 536,891	1.0000	\$ 536,891	\$ 627,975	\$ 268.04	\$ 313.52	\$ 120.81	\$ 141.31	\$ -	\$ -
24	Jan-13	2,283	5,113	\$ 528,541	1.0000	\$ 528,541	\$ 670,708	\$ 231.51	\$ 293.78	\$ 103.37	\$ 131.18	\$ -	\$ -
23	Feb-13	2,282	5,102	\$ 465,883	1.0000	\$ 465,883	\$ 458,039	\$ 204.16	\$ 200.72	\$ 91.31	\$ 89.78	\$ -	\$ -
22	Mar-13	2,281	5,099	\$ 560,104	1.0000	\$ 560,104	\$ 554,474	\$ 245.55	\$ 243.08	\$ 109.85	\$ 108.74	\$ -	\$ -
21	Apr-13	2,281	5,085	\$ 590,034	1.0000	\$ 590,034	\$ 602,710	\$ 258.67	\$ 264.23	\$ 116.03	\$ 118.53	\$ -	\$ -
20	May-13	2,278	5,068	\$ 577,737	1.0000	\$ 577,737	\$ 575,424	\$ 253.62	\$ 252.60	\$ 114.00	\$ 113.54	\$ -	\$ -
19	Jun-13	2,281	5,069	\$ 600,355	1.0000	\$ 600,355	\$ 603,418	\$ 263.20	\$ 264.54	\$ 118.44	\$ 119.04	\$ -	\$ -
18	Jul-13	2,283	5,081	\$ 581,132	1.0000	\$ 581,132	\$ 584,577	\$ 254.55	\$ 256.06	\$ 114.37	\$ 115.05	\$ -	\$ -
17	Aug-13	2,274	5,063	\$ 599,989	1.0000	\$ 599,989	\$ 596,561	\$ 263.85	\$ 262.34	\$ 118.50	\$ 117.83	\$ -	\$ -
16	Sep-13	2,279	5,067	\$ 552,421	1.0000	\$ 552,421	\$ 567,588	\$ 242.40	\$ 249.05	\$ 109.02	\$ 112.02	\$ -	\$ -
15	Oct-13	2,282	5,057	\$ 677,120	1.0000	\$ 677,120	\$ 666,140	\$ 296.72	\$ 291.91	\$ 133.90	\$ 131.73	\$ -	\$ -
14	Nov-13	2,286	5,067	\$ 569,833	1.0000	\$ 569,833	\$ 565,137	\$ 249.27	\$ 247.22	\$ 112.46	\$ 111.53	\$ -	\$ -
13	Dec-13	2,287	5,061	\$ 708,570	1.0000	\$ 708,570	\$ 713,709	\$ 309.83	\$ 312.07	\$ 140.01	\$ 141.02	\$ -	\$ -
12	Jan-14	2,275	5,045	\$ 631,537	1.0000	\$ 631,537	\$ 627,165	\$ 277.60	\$ 275.68	\$ 125.18	\$ 124.31	\$ -	\$ -
11	Feb-14	2,280	5,043	\$ 597,370	1.0000	\$ 597,370	\$ 597,967	\$ 262.00	\$ 262.27	\$ 118.46	\$ 118.57	\$ -	\$ -
10	Mar-14	2,271	5,027	\$ 637,642	1.0000	\$ 637,642	\$ 628,264	\$ 280.78	\$ 276.65	\$ 126.84	\$ 124.98	\$ -	\$ -
9	Apr-14	2,271	5,023	\$ 628,537	1.0000	\$ 628,537	\$ 623,967	\$ 276.77	\$ 274.75	\$ 125.13	\$ 124.22	\$ -	\$ -
8	May-14	2,270	5,015	\$ 609,034	1.0000	\$ 609,034	\$ 603,402	\$ 268.30	\$ 265.82	\$ 121.44	\$ 120.32	\$ -	\$ -
7	Jun-14	2,265	5,008	\$ 660,044	1.0000	\$ 660,044	\$ 677,309	\$ 291.41	\$ 299.03	\$ 131.80	\$ 135.25	\$ -	\$ -
6	Jul-14	2,267	5,011	\$ 665,023	1.0000	\$ 665,023	\$ 664,944	\$ 293.35	\$ 293.31	\$ 132.71	\$ 132.70	\$ -	\$ -
5	Aug-14	2,266	5,006	\$ 694,983	1.0000	\$ 694,983	\$ 698,366	\$ 306.70	\$ 308.19	\$ 138.83	\$ 139.51	\$ -	\$ -
4	Sep-14	2,267	5,003	\$ 670,752	1.0000	\$ 670,752	\$ 657,441	\$ 295.88	\$ 290.00	\$ 134.07	\$ 131.41	\$ (1)	\$ (1)
3	Oct-14	2,270	5,008	\$ 619,002	0.9990	\$ 619,622	\$ 639,135	\$ 272.96	\$ 281.56	\$ 123.73	\$ 127.62	\$ (710)	\$ (90)
2	Nov-14	2,270	5,007	\$ 613,967	0.9975	\$ 615,506	\$ 607,152	\$ 271.15	\$ 267.47	\$ 122.93	\$ 121.26	\$ 1,946	\$ 3,485
1	Dec-14	2,268	4,992	\$ 723,936	0.9825	\$ 736,831	\$ 715,835	\$ 324.88	\$ 315.62	\$ 147.60	\$ 143.40	\$ 3,933	\$ 16,828
Total		102,611	227,299	\$ 28,499,067	0.9995	\$ 28,514,120	\$ 28,493,899	\$ 277.89	\$ 277.69	\$ 125.45	\$ 125.36	\$ 5,168	\$ 20,221
CY 2011		23,945	52,800	\$ 6,606,618	1.0000	\$ 6,606,618	\$ 6,465,217	\$ 275.91	\$ 270.00	\$ 125.13	\$ 122.45	\$ -	\$ -
CY 2012		24,049	53,379	\$ 7,128,903	1.0000	\$ 7,128,903	\$ 7,129,250	\$ 296.43	\$ 296.45	\$ 133.55	\$ 133.56	\$ -	\$ -
CY 2013		27,377	60,932	\$ 7,011,719	1.0000	\$ 7,011,719	\$ 7,158,485	\$ 256.12	\$ 261.48	\$ 115.07	\$ 117.48	\$ -	\$ -
CY 2014		27,240	60,188	\$ 7,751,827	0.9981	\$ 7,766,880	\$ 7,740,947	\$ 285.13	\$ 284.18	\$ 129.04	\$ 128.61	\$ 5,168	\$ 20,221

Attachment 4
Greater Tompkins County Municipal Health Insurance Consortium
NY Schedule F - Claims Payable Analysis

SECTION I - CLAIMS INCURRED

A	B	C	D	E
Description of Claims	Paid During the Year	Unpaid Prior Year	Unpaid Current Year	Incurred This Year (B - C + D)
1. Hospital & Medical Claims	\$ 22,878,054	\$ 2,726,944	\$ 2,738,512	\$ 22,889,622
2. Pharmacy Claims	\$ 7,740,947	\$ 22,903	\$ 22,647	\$ 7,740,691
3. Total	\$ 30,619,001	\$ 2,749,847	\$ 2,761,159	\$ 30,630,313

SECTION II - ANALYSIS OF UNPAID CLAIMS - CURRENT

A	B	C	D
Description of Claims	Reported Claims in Process of Adjustment	Estimated Incurred but Unreported	Total Claims Payable (B + C)
1. Hospital & Medical Claims	\$ 280,293	\$ 2,458,219	\$ 2,738,512
2. Pharmacy Claims	\$ -	\$ 22,647	\$ 22,647
3. Total	\$ 280,293	\$ 2,480,866	\$ 2,761,159

SECTION III - ANALYSIS OF UNPAID CLAIMS - PRIOR

A	B	C	D	E	F	G	H
	Claims Paid During the Year		Claim Reserve at End of Current Year				
Description of Claims	On Claims Incurred Prior to Current Year	On Claims Incurred During the Year	On Claims Unpaid at End of Prior Year	On Claims Incurred During the Year	Claims Incurred in Prior Years (B + D)	Estimated Claim Reserve at End of Prior Year (Sect. I, C)	Amount Reserve is Over/(Under) Reserved (G - F)
1. Hospital & Medical Claims	\$ 1,988,662	\$ 20,889,392	\$ 45,010	\$ 2,693,502	\$ 2,033,672	\$ 2,726,944	\$ 693,272
2. Pharmacy Claims	\$ (5,712)	\$ 7,746,659	\$ -	\$ 22,647	\$ (5,712)	\$ 22,903	\$ 28,615
3. Total	\$ 1,982,950	\$ 28,636,051	\$ 45,010	\$ 2,716,149	\$ 2,027,960	\$ 2,749,847	\$ 721,887

CALCULATION OF UNPAID CLAIMS RESERVES AT YEAR END

Unpaid claims reserve (per Page NY 3, Line 1.3) = % approved by DFS * [(Paid claims CY - Unpaid claims PY) / (1-% approved by DFS)]

Reserve requirement per DFS	12%	<== Input per DFS
Paid claims CY	\$ 30,619,001	<== Section I, Column B
Unpaid claims PY	\$ 2,749,847	<== Section I, Column C
Result = Unpaid claims CY	\$ 3,800,339	<==Reported on NY 3, Line 1.3
Implied incurred claims	\$ 31,669,493	<==Paid claims + (Unpaid claims CY - Unpaid claims PY)
Hospital & Medical claims payable per Actuary	\$ 2,738,512	<== Section II, Column D, Line 1
Pharmacy claims payable per Actuary	\$ 22,647	<== Section II, Column D, Line 2
Total claims payable per Actuary	\$ 2,761,159	<==Reported on NY 3, Line 1.1
Total Additional Amount Required by Section 4706(a)(1)	\$ 1,039,180	<==Reported on NY 3, Line 1.2
Total claims Payable	\$ 3,800,339	<==Reported on NY 3, Line 1.3

APPENDIX A

Statement of Actuarial Opinion

December 31, 2014

Statement of Actuarial Opinion
Greater Tompkins County Municipal Health Insurance Consortium
Annual Statement as of December 31, 2014

TABLE OF KEY INDICATORS

This Opinion is ☒ Unqualified ☐ Qualified ☐ Adverse ☐ Inconclusive

IDENTIFICATION SECTION

<input checked="" type="checkbox"/> Prescribed Wording Only	<input type="checkbox"/> Prescribed with Additional Wording
<input type="checkbox"/> Revised Wording	

SCOPE SECTION

<input checked="checked" type="checkbox"/> Prescribed Wording Only	<input type="checkbox"/> Prescribed with Additional Wording
<input type="checkbox"/> Revised Wording	

RELIANCE SECTION

<input checked="" type="checkbox"/> Prescribed Wording Only	<input type="checkbox"/> Prescribed with Additional Wording
<input type="checkbox"/> Revised Wording	

OPINION SECTION

Prescribed Wording Only ☒ Prescribed with Additional Wording
Revised Wording

RELEVANT COMMENTS

X Revised Wording

IDENTIFICATION

I, Michael Lawrence Frank, ASA, FCA, MAAA, President and Actuary, am associated with the firm Aquarius Capital Solutions Group LLC. I am a member of the American Academy of Actuaries and have been retained by the Greater Tompkins County Municipal Health Insurance Consortium to render an opinion with regard to loss reserves, actuarial liabilities and related items. I was appointed on February 11, 2013 in accordance with the requirements of the annual statement instructions. I meet the Academy qualification standards for rendering the opinion.

SCOPE

I have examined the assumptions and methods used in determining loss reserves, actuarial liabilities, and related items listed below, as shown in the annual statement of the organization as prepared for filing with state regulatory officials as of December 31, 2014:

**Actuarial Liability Summary
December 31, 2014
Greater Tompkins County Municipal Health Insurance Consortium**

Actuarial Item	Statement Reference	Amount
A. Claims unpaid including unpaid claims adjustment expenses	Page 3, Line 1.1	\$2,761,159
B. Additional amounts required by Section 4706(a)(1)	Page 3, Line 1.2	\$1,039,180
C. Total Claims payable	Page 3, Line 1.3	\$3,800,339
D. Surplus per Section 4706(a)(5)	Page 3, Line 21	\$1,803,165
E. Any other loss reserves, actuarial liabilities, or related items presented as liabilities in the annual statement		Not Applicable
F. Specified actuarial items presented as assets in the annual statement		Not Applicable

RELIANCE

My examination included such review of the actuarial assumptions and actuarial methods and of the underlying basic liability records and such tests of the actuarial calculations as I considered necessary. I also reconciled the underlying basic liability records to Schedule F, Section III.

OPINION

In my opinion, the amounts carried in the balance sheet on account of the items identified above:

- A. Are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principals;
- B. Are based on actuarial assumptions relevant to contract provisions and appropriate to the purpose for which the statement was prepared;
- C. Meet the requirements of the Insurance Laws and regulations of the State of New York and are at least as great as the minimum aggregate amounts required by New York and are in compliance with the terms of the Consortium's Certificate of Authority as determined by the Superintendent of Financial Services (i.e., 12% of annual medical and pharmacy incurred claims);
- D. Make a good and sufficient provision for all unpaid claims and other actuarial liabilities of the organization under the terms of its contracts and agreements;
- E. Are computed on the basis of assumptions and methods consistent with those used in computing the corresponding items in the annual statement as of the preceding year-end; and
- F. Include appropriate provision for all actuarial items which ought to be established.

Schedule F, Section III was reviewed for reasonableness and consistency with the applicable Actuarial Standards of Practice.

Actuarial methods, considerations, and analyses used in forming my opinion conform to the relevant Standards of Practice as promulgated from time to time by the Actuarial Standards Board, which standards form the basis of this statement of opinion.

RELEVANT COMMENTS

The amount carried on the balance sheet for contingency (termination) reserves (i.e., the surplus account, page NY3, line 21) was not calculated using actuarial methods. Instead, it was determined using the methodologies described in Article 47, Section 4706(a)(5) of 5% of annualized earned premium equivalents.



Michael Lawrence Frank, ASA, FCA, MAAA
President and Actuary
110 Betsy Brown Road
Port Chester, NY 10573
Tel: (914) 933-0063
Date: April 21, 2015